

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re: SRC HOLDING CORPORATION § Case No. 02-40284
 FKA MILLER & SCHROEDER §
 INC. §
Debtor(s) §

**NOTICE OF TRUSTEE'S FINAL REPORT AND
APPLICATIONS FOR COMPENSATION
AND DEADLINE TO OBJECT (NFR)**

Pursuant to Fed. R. Bankr. P. 2002(a)(6) and 2002(f)(8), please take notice that BRIAN F. LEONARD, trustee of the above styled estate, has filed a Final Report and the trustee and the trustee's professionals have filed final fee applications, which are summarized in the attached Summary of Trustee's Final Report and Applications for Compensation.

The complete Final Report and all applications for compensation are available for inspection at the Office of the Clerk, at the following address:

CLERK OF BANKRUPTCY COURT
301 U. S. COURTHOUSE
300 SOUTH FOURTH STREET
MINNEAPOLIS, MN 55415

CLERK OF BANKRUPTCY COURT
200 WARREN E. BURGER
FEDERAL BLDG. & CTHOUSE
ST PAUL, MN 55101

CLERK OF BANKRUPTCY COURT
404 U S COURTHOUSE
515 WEST FIRST STREET
DULUTH, MN 55802

Any person wishing to object to any fee application that has not already been approved or to the Final Report, must file a written objection within 0 days from the mailing of this notice, together with a request for a hearing and serve a copy of both upon the trustee, any party whose application is being challenged and the United States Trustee. If no objections are filed, the Court will act on the fee applications and the trustee may pay dividends pursuant to FRBP 3009 without further order of the Court.

Date Mailed: / /

By: /s/ LORI VOSEJPKA
 CLERK OF COURT

BRIAN F. LEONARD
100 SOUTH FIFTH STREET
SUITE 2500
MINNEAPOLIS, MN 55402
(612) 332-1030

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re: SRC HOLDING CORPORATION § Case No. 02-40284
FKA MILLER & SCHROEDER INC.

Debtor(s)

§
§
§
§

**SUMMARY OF TRUSTEE'S FINAL REPORT
AND APPLICATIONS FOR COMPENSATION**

<i>The Final Report shows receipts of</i>	<i>\$ 5,042,065.56</i>
<i>and approved disbursements of</i>	<i>\$ 2,120,821.76</i>
<i>leaving a balance on hand of</i> <u>1</u>	<i>\$ 2,921,243.80</i>

Claims of secured creditors will be paid as follows:

<i>Claimant</i>	<i>Proposed Payment</i>
N/A	

Applications for chapter 7 fees and administrative expenses have been filed as follows:

<i>Reason/Applicant</i>	<i>Fees</i>	<i>Expenses</i>
<i>Trustee</i> <u>BRIAN F. LEONARD</u>	<u>\$ 121,935.50</u>	<u>\$</u>
<i>Attorney for trustee</i> <u>LEONARD, O'BRIEN</u> <u>LAW FIRM</u>	<u>\$ 30,327.00</u>	<u>\$ 564.37</u>
<i>Appraiser</i>	<u>\$</u>	<u>\$</u>
<i>Auctioneer</i>	<u>\$</u>	<u>\$</u>
<i>Accountant</i> <u>KPMG, LLP</u>	<u>\$ 19,475.00</u>	<u>\$</u>
<i>Special Attorney for trustee</i>	<u>\$</u>	<u>\$</u>
<i>Charges,</i> <u>U.S. Bankruptcy Court</u>	<u>\$ 300.00</u>	<u>\$</u>
<i>Fees,</i> <u>United States Trustee</u>	<u>\$</u>	<u>\$</u>
<i>Other</i>	<u>\$</u>	<u>\$</u>

Applications for prior chapter fees and administrative expenses have been filed as follows:

<i>Reason/Applicant</i>	<i>Fees</i>	<i>Expenses</i>
-------------------------	-------------	-----------------

¹ The balance of funds on hand in the estate may continue to earn interest until disbursed. The interest earned prior to disbursement will be distributed pro rata to creditors within each priority category. The trustee may receive additional compensation not to exceed the maximum compensation set forth under 11 U.S.C. § 326(a) on account of the disbursement of the additional interest.

<i>Attorney for debtor</i>	\$	\$
<i>Attorney for</i>	\$	\$
<i>Accountant for</i>	\$	\$
<i>Appraiser for</i>	\$	\$
<i>Other</i>	\$	\$

In addition to the expenses of administration listed above as may be allowed by the Court, priority claims totaling \$0.00 must be paid in advance of any dividend to general (unsecured) creditors.

Allowed priority claims are:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
	N/A		

The actual distribution to wage claimants included above, if any, will be the proposed payment less applicable withholding taxes (which will be remitted to the appropriate taxing authorities).

Timely claims of general (unsecured) creditors totaling \$ 41,991,167.15 have been allowed and will be paid *pro rata* only after all allowed administrative and priority claims have been paid in full. The timely allowed general (unsecured) dividend is anticipated to be 6.5 percent.

Timely allowed general (unsecured) claims are as follows:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
1 -2	<u>HERRMANN LEWIS G</u>	\$ 2,910,000.00	\$ 190,481.69
3	<u>IRON MOUNTAIN INC</u>	\$ 1,199.74	\$ 78.54
4	<u>DAVID G REINHART</u>	\$ 583,332.00	\$ 38,183.53
5	<u>BAKER LIVING TRUST</u>	\$ 616,876.00	\$ 40,379.24
	BREMER BUSINESS		
11	<u>FINANCE CORP</u>	\$ 2,363,164.47	\$ 154,687.13
	WANDA POPE FELTON		
19	<u>CHARITABLE REM UNI</u>	\$ 704,828.75	\$ 46,136.41
	LESTER POPE TRUST		
20	<u>GAIL POPE</u>	\$ 159,692.95	\$ 10,453.12
21	<u>WANDA POPE FELTON</u>	\$ 1,325,615.53	\$ 86,771.64
23	<u>WILLIAM D SEXTON</u>	\$ 220,000.00	\$ 14,400.68
RES55	<u>FIELDS MARK & DINA</u>	\$ 38,975.00	\$ 2,551.21
	DWIGHT R J LINDQUIST		
RES64	<u>CH 7 TRUSTEE</u>	\$ 6,505.55	\$ 425.84

	FIRST BANK OF NORTH		
<u>INV 8</u>	<u>DAKOTA</u>	<u>\$ 1,594,336.76</u>	<u>\$ 104,361.49</u>
	UNITED COMMUNITY		
	BANK OF NORTH		
<u>INV 9</u>	<u>DAKOTA</u>	<u>\$ 598,177.08</u>	<u>\$ 39,155.25</u>
	SECURITY FIRST BANK		
<u>INV 10</u>	<u>OF ND</u>	<u>\$ 239,704.16</u>	<u>\$ 15,690.46</u>
<u>RES 2</u>	<u>FLESHMAN J KENNETH</u>	<u>\$ 229,256.00</u>	<u>\$ 15,006.55</u>
<u>RES 3</u>	<u>ROHNER JOHN R ET AL</u>	<u>\$ 168,400.00</u>	<u>\$ 11,023.06</u>
<u>RES 5</u>	<u>LUNDQUIST TRUST ET AL</u>	<u>\$ 230,000.00</u>	<u>\$ 15,055.25</u>
	KNOWLTON DONALD &		
<u>RES 6</u>	<u>RACHEL</u>	<u>\$ 70,000.00</u>	<u>\$ 4,582.03</u>
<u>RES 7</u>	<u>DR TED SILVER</u>	<u>\$ 23,000.00</u>	<u>\$ 1,505.53</u>
	SPANGLER FRANK &		
<u>RES 9</u>	<u>JEANNE TTEES</u>	<u>\$ 50,000.00</u>	<u>\$ 3,272.88</u>
	TIMMERMAN M B &		
<u>RES 10</u>	<u>PRISCILLA</u>	<u>\$ 870,000.00</u>	<u>\$ 56,948.13</u>
	WOODHOUSE RALPH &		
<u>RES 11</u>	<u>BETSY TR</u>	<u>\$ 861,005.02</u>	<u>\$ 56,359.34</u>
<u>RES 14</u>	<u>GOLD FAMILY TRUST</u>	<u>\$ 305,225.00</u>	<u>\$ 19,979.30</u>
<u>RES 15</u>	<u>DENNING GARY & SHEILA</u>	<u>\$ 95,350.00</u>	<u>\$ 6,241.38</u>
	CRYSTAL GRACE		
<u>RES 17</u>	<u>RUTHERFORD BADGLEY</u>	<u>\$ 96,745.00</u>	<u>\$ 6,332.70</u>
<u>RES 18</u>	<u>GRACE ENGLISH</u>	<u>\$ 370,565.00</u>	<u>\$ 24,256.30</u>
<u>RES 19</u>	<u>ELLIS LEWELLEN</u>	<u>\$ 81,291.00</u>	<u>\$ 5,321.12</u>
	EDGE CHLOE KERNIS		
<u>RES 20</u>	<u>TRUST</u>	<u>\$ 447,576.00</u>	<u>\$ 29,297.26</u>
<u>RES 22</u>	<u>BEHNKE FAMILY TRUST</u>	<u>\$ 50,000.00</u>	<u>\$ 3,272.88</u>
	HYDE WILL THOMAS &		
<u>RES 23</u>	<u>MARGARET MARY</u>	<u>\$ 60,000.00</u>	<u>\$ 3,927.46</u>
	FINK FREDERICK & LILA		
<u>RES 24</u>	<u>TRUST</u>	<u>\$ 90,000.00</u>	<u>\$ 5,891.19</u>
	LENSER BILLY &		
<u>RES 25</u>	<u>DEBORAH ET AL</u>	<u>\$ 31,350.73</u>	<u>\$ 2,052.14</u>
<u>RES 26</u>	<u>NATALIE LENSER</u>	<u>\$ 25,109.72</u>	<u>\$ 1,643.62</u>
<u>RES 27</u>	<u>DEAN LENSER</u>	<u>\$ 25,109.72</u>	<u>\$ 1,643.62</u>
<u>RES 28</u>	<u>BILLY LENSER</u>	<u>\$ 100,395.83</u>	<u>\$ 6,571.67</u>
<u>RES 29</u>	<u>BILLY K LENSER</u>	<u>\$ 100,395.83</u>	<u>\$ 6,571.67</u>

<u>RES 30</u>	<u>DEBORAH LENSER</u>	\$ <u>100,395.83</u>	\$ <u>6,571.67</u>
<u>RES 31</u>	<u>CATES LEROY R & BONNIE J &</u>	\$ <u>215,000.00</u>	\$ <u>14,073.39</u>
<u>RES 32</u>	<u>MCCAULEY GEORGE E ET AL</u>	\$ <u>514,845.00</u>	\$ <u>33,700.53</u>
<u>RES 33</u>	<u>LORI & MICHAEL O'SHEA</u>	\$ <u>625,000.00</u>	\$ <u>40,911.01</u>
<u>RES 34</u>	<u>BETKER FAMILY TRUST</u>	\$ <u>9,110,000.00</u>	\$ <u>596,318.94</u>
	BETKER PARTNERS		
<u>RES 35</u>	<u>THREE LP</u>	\$ <u>1,577,236.00</u>	\$ <u>103,242.12</u>
	BETKER PARTNERS ONE		
<u>RES 36</u>	<u>LP</u>	\$ <u>12,389,919.00</u>	\$ <u>811,014.63</u>
<u>RES 38</u>	<u>NELSON TOM S</u>	\$ <u>66,667.00</u>	\$ <u>4,363.86</u>
<u>RES 39</u>	<u>GREEN FRANKLIN</u>	\$ <u>243,207.00</u>	\$ <u>15,919.75</u>
<u>RES 40</u>	<u>BARBEE FUNICE</u>	\$ <u>8,067.78</u>	\$ <u>528.10</u>
	HAGELIN RONALD LINDA		
<u>RES 42</u>	<u>PAUL</u>	\$ <u>1,319,090.00</u>	\$ <u>86,344.49</u>
	JOHANSEN GERALD &		
<u>RES 44</u>	<u>JANET</u>	\$ <u>78,556.70</u>	\$ <u>5,142.13</u>

Tardily filed claims of general (unsecured) creditors totaling \$ 5,864,901.29 have been allowed and will be paid *pro rata* only after all allowed administrative, priority and timely filed general (unsecured) claims have been paid in full. The tardily filed claim dividend is anticipated to be 0.0 percent.

Tardily filed general (unsecured) claims are as follows:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
---------------------	-----------------	------------------------------	-------------------------

<u>13</u>	<u>JOSEPH L NEWMAN</u>	<u>\$ 2,259,423.74</u>	<u>\$ 0.00</u>
<u>18</u>	<u>ELDRIDGE FAMILY TRUST</u>	<u>\$ 2,094,520.00</u>	<u>\$ 0.00</u>
<u>24</u>	<u>JAMES E IVERSON (LAWVER)</u>	<u>\$ 589,555.00</u>	<u>\$ 0.00</u>
<u>INV13</u>	<u>THE GEORGETOWNE OF APPLETON LLC</u>	<u>\$ 93,800.00</u>	<u>\$ 0.00</u>
<u>RES54</u>	<u>THOMAS U & LENELL M CHACE</u>	<u>\$ 385,000.00</u>	<u>\$ 0.00</u>
<u>RES56</u>	<u>THOMAS U CHACE</u>	<u>\$ 385,000.00</u>	<u>\$ 0.00</u>
<u>RES57</u>	<u>CT DEPT OF REVENUE SVCS</u>	<u>\$ 2,910.94</u>	<u>\$ 0.00</u>
<u>RES63</u>	<u>DWIGHT R J LINDQUIST CH 7 TRUSTEE</u>	<u>\$ 54,691.61</u>	<u>\$ 0.00</u>

Subordinated unsecured claims for fines, penalties, forfeitures, or damages and claims ordered subordinated by the Court totaling \$ 0.00 have been allowed and will be paid *pro rata* only after all allowed administrative, priority and general (unsecured) claims have been paid in full. The dividend for subordinated unsecured claims is anticipated to be 0.0 percent.

Subordinated unsecured claims for fines, penalties, forfeitures or damages and claims ordered subordinated by the Court are as follows:

<i>Claim Number</i>	<i>Claimant</i>	<i>Allowed Amt. of Claim</i>	<i>Proposed Payment</i>
		N/A	

The amount of surplus returned to the debtor after payment of all claims and interest is \$ 0.00.

Prepared By: /s/BRIAN F. LEONARD

BRIAN F. LEONARD
100 SOUTH FIFTH STREET
SUITE 2500
MINNEAPOLIS, MN 55402
(612) 332-1030

STATEMENT: This Uniform Form is associated with an open bankruptcy case, therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.